



Towngas

The Hong Kong and China Gas Company Limited

Press Release

The Hong Kong and China Gas Company Limited Issues First Chinese Renminbi Bond

(Hong Kong, 1 April 2011) – The Hong Kong and China Gas Company Limited (“Towngas”) (0003.HK), the territory’s largest suppliers of town gas to over 1.7 million customers in Hong Kong and the most established city-gas operator in Mainland China, with credit rating of A1/ A+ issued its first bond denominated in Chinese Renminbi (RMB). The RMB1,000 million 5-year fixed rate note due on 11 April 2016, carries a semi-annual coupon of 1.40% p.a.. The fund will be used for general working capital and capital expenditures purposes.

The issue had received overwhelming response from the capital market and was over-subscribed by more than 5 times. Due to strong response received from investors, the issue size was increased from the original target of RMB500 million to RMB1,000 million. It also represents a significant development in the offshore RMB market being the first ever Hong Kong blue chip corporate to tap the Hong Kong dim sum bond market. It is also the dim sum bond issue with the lowest coupon in the 5-year sector and the first 5-year corporate issue in 2011.

Towngas Managing Director Alfred Chan Wing-kin said: “we are delighted to have received an overwhelming response. The success of this RMB Bond provides once again an undisputed consensus of Towngas’ solid financial standing, its prominent position in the market, as well as its professional management team. It also represents a vote of confidence by the investors in the future development of the Towngas Group.

Towngas Chief Financial Officer and Company Secretary John Ho Hon-ming said: “The offshore RMB bond market expands our source of funding and provide good hedge of our investment in Mainland China, which denominated in RMB currency.

Transaction Summary:

Issuer: HKCG (Finance) Limited

Guarantor: The Hong Kong and China Gas Company Limited

Credit Rating: A1/ A+

Amount: RMB 1,000 million

Trade Date: 31 March 2011

Coupon: 1.40% (semi-annual; act/365 (fixed))



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Maturity Date: April 2016

Issue Price: 100%

Listing: Applications have been made to the HKEX

Clearing: CMU with linkage to Euroclear / Clearstream

Sole Bookrunner and Sole Lead Manager: HSBC

For press enquiries, please contact:

Ms. Wong Sau Ying

Tel: 2963 3493

Fax: 2516 7368

Email: ccd@towngas.com